

CIA HISTORICAL REVIEW PROGRAM
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2003

VIA REGISTERED MAIL
(Specify Air or
Sea Pouch).

DISPATCH NO. HULA-471

PBSUCCESS RYBAT
CLASSIFICATION

14 APR 1954

DATE _____

TO : Chief, Western Hemisphere

FROM : LINCOLN

SUBJECT { GENERAL : ~~Operational~~
SPECIFIC : Transmittal of Operational Notes from ONTRICH

1. Forwarded for headquarters' information are copies of handwritten notes received from ONTRICH.

2. Two of the memoranda are undated but are believed to have been written in early April 1954.

Attachments: 3

[for JEROME C. DUNBAR]

RBR

12 April 1954

Distribution:

3-Wash w/one attachment

2-LINCOLN w/one attachment

PBSUCCESS RYBAT
CLASSIFICATION

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Memorandum to DUNBAR

12 April 1954

Subject: Miscellaneous Operational Reports of ONTRICH

1. [] (former [] of the United States Embassy in Guatemala) who is now engaged in business in Guatemala, recently came to Tegucigalpa and on behalf of [] asked what part they could take in any plan against the government of ARBENZ. [] said that he knew no opposition elements outside his Embassy contacts.

2. CALLIGERIS is doing everything possible to get Guatemalans inside the country to contribute to the campaign against the present regime. Thus far ESCOBILLA has given about [] and [] have also given money. [] is stated to be a good contact.

3. The present system of sending funds into Guatemala is somewhat cumbersome and the exchange of dollars into quetzales is daily becoming more difficult. After a long discussion with SEMANTIC and SECANT it was agreed that it would be a good solution to deposit dollars in one of ESCOBILLA's accounts in the States and then draw drafts in quetzales thereon. ESCOBILLA has agreed to this plan. If we go along, SEMANTIC upon return can get full information from ESCOBILLA as to what account and bank in the States he wants money deposited.

4. Other possibilities include the exchange of dollars for quetzales in El Salvador, the deposit of dollars in ESCOBILLA's account in El Salvador, or the deposit of dollars in the accounts of other individuals in the States, such as that of [] in New Orleans. Of the budget of [] for April \$1,000 is needed in lempiras, \$500 in colones, \$2,000 in dollars, and the balance in quetzales. Thus far various individuals have been used for exchange purposes. including []

5. ESCOBILLA could and will serve as the cut-out between RAZMARA and SEMANTIC in Guatemala. This will compartmentize ESSENCE and provide SEMANTIC with a secure means by which to pass all original reports, etc. to us. SEMANTIC is taking instructions in photography and in the future he will send all of his information to Pancho via their couriers on unexposed film. If the courier is caught, all he has to do is expose the film.

6. Since it will take at least two weeks under our present courier system to get originals through us and back to Pancho, it is highly desirable to check and see whether our present courier system cannot be altered to furnish a once-a-week service between Tegucigalpa and Guatemala City. Up until the time of the [] case we had had no recent courier compromise, but it doesn't take too many flaps like that to really hurt us. I had Andres write up the story on this fellow, which should have been received in the 5 April pouch. As a result of the above [] was arrested and [] one of our CP penetrations, was probably burned. SEMANTIC will check this upon his return.

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7. SEMANTIC is a little concerned about the fact that as of the time he left RAZMARA had not passed ESSENCE any PP funds. Several debts were outstanding; in fact SEMANTIC paid the press bill before he left. Please check this and make sure RAZMARA is passing the necessary funds.

8. There have not been many changes re intelligence matters. As soon as SEMANTIC returns he will brief and compartmentize certain of our people in the nine areas and give them specifically the responsibility for intelligence. Plans are underway for the RRO's and every effort will be made to get an RRO into Guatemala City soonest in order to give SEMANTIC a secure means of radio communication. Make arrangements with [] to have some radios ready in case we have to send some in direct to Guatemala City through our channel. This would be a lot safer than lugging them all the way from here. It is also essential for the RO in Guatemala City to have at least two sets and preferably three so that he can move about and send from different locations. In fact, I believe it would be advisable to have this equipment sent to Guatemala soonest in order to have it ready when needed. Transmission from different locations is necessary since Guatemala does have a system of mobile DFing (patrol wagons); supposedly these are not too effective.

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1. SIERRA & VISCOVICH are being separated from the work around PANCHO's house and are being kept busy working on the paper.

Checks are being made on both people. PANCHO says that VISCOVICH has only done work on the paper and is not in the know on other matters. In his case it looks like a case of psychological instability, and what bothers him most are personal problems.

PANCHO says he thinks he killed a man once and may be the thing really bothering him. He will be kept compartmented and working on newspapers articles. Checks will be run on him and if any thing turns up he will be disposed of.

How?
State in disposal available in Tegu. How then could be disposed of without alert.

In SIERRA case, PANCHO feels SIERRA has been very loyal to him in the past two or three years he has worked for him and finds it very hard to believe the man is working against him. SIERRA is very much in the know of all things going on and does present a serious problem. Since if he is bad and since there is no means of disposal in Tegu PANCHO has agreed to sever his contact with sensitive material and give him odd jobs with the paper, also to take him to Nic when the Box is there and submit him to thorough interrogation and re-box him. PANCHO will be there when this takes place and will do or help in the interrogation. Therefore if we do find out he is bad he can be turned over to El Angel for safe keeping. To get him to Nic, SIERRA will be told that he is in charge of taking 2 or 3 more men from here to be boxed and since he has already taken the tests he will probably be used to demonstrate the procedure to the other men. This will give SIERRA a chance to save face with the other men in case after the interrogations he turns out to be O.K.?

The other two boys ARENAS & VILLADORES will be kept under a watchful eye. It is believed that the cause for their disloyalty to PANCHO is loyalty to themselves. They are & will be kept compartmented from sensitive work and checks kept on them.

New Subj:

It is tentatively planned for [] to return during la Semana Santa so that they will be entering G.C. on Easter Sunday when the traffic will be heavy of people returning to the city. [] will continue to stay in hiding after he returns and the [] will go into hiding as soon as he gets there. It is also planned to pull the [] out again as soon as all is organized and before D-Day.

It is unfortunate that so many people around PANCHO here in Tegu have seen the [] here but I found out about it too late to do any good. In a way it may be alright since it will be let on that they are not returning to G.C. and if there is a leak about them being here it may help to relieve the pressure on them in G.C.

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New Subj:

Debriefing in process. Already have list of names and approximate numbers of people controlled in each location. Will try to get all this to you in next pouch. Sorry its all in Spanish but believe Alice can do a priority translation on it.

Both claim they have access to much more detailed info inside and can get it for us as soon as they return.

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For

Subar

1. [] in Venez - this man has made attempts before to contact PANCHO. PANCHO thinks he is NO GOOD. He has been tied up in other movements and tries to associate himself with all movements, believed to be plant of Guat govt.

2. Radio or relay stations for South very important.

3. [] had been working for us in Guat. He was given names of military contacts which he was to make. He reported to [] that several people had left Guat but these people never arrived in Tegus. [] at one time or another gave him approx 2,000.00 dollars. [] very suspicious about [] so are several of the others.

Will debrief him soonest. Did not have opportunity to box him since he is in San Pedro Sul and his wife was having a baby.

Identity of new CP penetration: []

Method by which [] receives money:

1. Money goes to [] by courier from PANCHO in dollars. [] then turns money over to [] Big problem is getting money exchanged in Quetzals. [] is presently exchanging money through a pariente of his. []

2. Will discuss possibility of passing money directly to [] thinks this is good idea but is a little worried about the money being passed by our contacts. [] reports [] is not or had not when he left received the necessary propaganda money, and several bills were outstanding at the printers shop. Please query ref this situation. (More coming on this sub)

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Att # 5 L:
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